

LEASES SHOW HOW PROPERTY GROWS

History of Risley Lot at Seventh and Morrison Is Interesting.

HALF BLOCK COST \$1000

Ground Now Worth \$750,000 Purchased in 1858 From His Father by Jacob S. Risley, Who Disposed of All but One Lot:

There has been a distinctly more optimistic tone to the real estate market the last week, and while large sales have been few, there has been a healthy inquiry. Dealers expect activity to become more marked with every week and predict a very lively movement in all kinds of property from the beginning of Spring.

One phase of the situation is the reluctance of owners of downtown business property to dispose of their holdings at any price. The general desire seems to be to make building leases on as favorable terms as possible and thus derive a good-sized profit and at the same time not lose the increment, which at Portland's rapid rate of growth is becoming fabulous.

An instance of this kind was recorded a week ago when the heirs of the late Jacob S. Risley leased the lot at the northwest corner of Seventh and Morrison streets to the Morrison Trust Company for a term of 50 years, at a sliding rate calling for payment of \$967,500 net for ground rent alone, during the term. The heirs and present owners are John F. Risley, Charles W. Risley and Mrs. Alice M. Starkweather, of Risley's Station, on the Oregon City electric line.

The monthly rate of rental for the first 10 years is \$1125; for the next 10 years it is \$1375; for the third 10 years, \$1625; for the fourth 10 years, \$1875, and for the last decade it is \$2000. Mrs. Dan McAllen and E. A. Lundburg are the principal stockholders of the Morrison Trust Company, and they will proceed with the erection of a 12-story building as soon as the leases of present tenants expire. The tenants hold until September 31, 1912.

The owners refused a bona fide offer of \$300,000 for this property recently, declaring they did not wish to sell at any price. The ground rental was figured on this valuation. The lot is 50 by 100 feet, the same size as the property on the like corner at Park and Morrison, which was purchased two weeks ago by Rev. Herbert Spencer Johnson from M. W. Hunt and associates for \$210,000. The Risley lot has the advantage of position, as the 100-foot frontage is on Morrison street, while the long frontage of the Johnson lot is on the side street. The difference in value probably is correctly stated in the difference between the purchase price of the Park street corner, \$210,000, and the estimated value of the Seventh street corner, \$300,000.

It is difficult to figure a basis of front-foot values on Morrison street from these two deals, because one piece has a frontage of 100 feet and a depth of 50, while the other has a frontage of 50 feet and a depth of 100. Thus the more valuable piece shows a front-foot value of \$3000, while the cheaper lot has an apparent front-foot value of \$4200. Reversing the basis of calculation, the Risley property would be valued at \$6000 a front foot on Seventh street and the Johnson lot would be worth \$2100 a front foot on Park.

As showing the rapid rise in value of Portland real estate, the history of the Risley property, which is described as lot 4, block 212, original city of Portland plat, is interesting. Musty old records in the County Recorder's office show the half block on the north side of Morrison street, between Seventh and Park, comprising lots 3, 4, 5 and 6, block 212, was conveyed from Orville Risley to Jacob Suain Risley on September 8, 1858. The consideration was \$1000 for property now worth at least \$750,000. Jacob Risley was the son of Orville Risley, who was an early pioneer and was known as Judge Risley. The conveyance was made before A. G. Walling, "Justice of the Peace for the County of Clackamas, Territory of Oregon." At that time the part of what is now Multnomah County lying on the east side of the river was in Clackamas, and the west side was in Washington County.

Jacob Risley disposed of the two inside lots, 50 by 100 feet each and fronting on Seventh and Park streets, before the property had advanced much in value. He held lot 5, the northeast corner of Park and Morrison, until June 23, 1885, when he sold it to A. F. Bennett for \$5000. He evidently used this money to build the 50 by 50 two-story frame building on the corner of Seventh and Morrison, which was completed in 1887. Three years later, in 1890, Mr. Risley joined Mr. Bennett in erecting the three-story frame Bennett building, covering Mr. Bennett's 100-foot lot and extending over the unoccupied 50 feet of Mr. Risley's lot.

Both buildings had stores below and rooming-houses above. The stores were rented to transient tenants for what they would bring and were seldom unoccupied. The charges for rent were extremely modest. During the flood of 1894, Parris & Watkins, real estate agents, occupied the store now held by the Jewel restaurant, and paid \$20 a month, which the landlord regarded as munificent. In 1897 J. E. Kelly leased the corner for the Mascot saloon, paying \$65 a month, and later took the entire building, including the store on Morrison street and the upstairs, for two years, at \$150 a month. This lease was renewed for three years at an advance to \$250 a month, and was subsequently twice more renewed by Mr. Kelly for three-year terms at an advance each time.

Clayton Fallas bought the saloon and lease some three years ago and took a new lease for three years, in October, 1909, paying \$500 a month for the whole building. This lease is still in force and will expire with September next year. Mr. Fallas is subletting to A. R. Tozier, a cigar dealer on the corner, and to Day Bros., proprietors of the Jewel restaurant, and a lodging-house keeper upstairs. The Risley part of the Bennett building is leased to L. Fisher for \$400 a month, and this lease can be terminated on six months' notice. Fisher sublets to W. C. Reed, who has a delicatessen store, and to a saloon and a chop-house, and there is a lodging-house above.

That Portland is in a better position, financially, than any other city on the Pacific Coast is the conclusion of A. D. Willoughby, of the Lawyers' Abstract & Trust Company, who returned last week from a business trip to cities on Puget Sound.

"I met many traveling men and representatives of business firms," said Mr. Willoughby, "and they all declared that Portland merchants are the only ones

who are meeting all obligations promptly. Even in Seattle, they admitted that Portland is the best city on the Coast from a business standpoint."

Keasey, Humason & Jeffery have completed plans for subdividing the 20-acre tract in Vancouver, Wash., purchased by them from the Balcome estate a week ago for \$30,000. The plat shows that the acreage has been cut into pieces from one-half acre to an acre and a half in size. Two streets will be run through the property. The land is covered with fruit trees, which will be left standing except where they interfere with the improvements. The land will be sold on easy terms to railroad employees, many of whom work at the roundhouse of the North Bank Railroad, which adjoins the tract. Houses will be built for purchasers who lack money to build for themselves. City water mains will be laid to all the lots. Laborers will be put to work on the improvements in a week or two.

Plans and specifications are being prepared by Architects Roberts & Roberts for a three-story frame apartment-house to be built on East Fourteenth and East Yamhill streets for H. A. Hale. The cost is estimated at \$30,000. It will be 50 by 80 feet, and will contain 18 apartments of three rooms each, provided with Holmes disappearing wall beds and modern conveniences. The building will be heated with steam, and will have a large laundry room. Contract will be let by January 15.

T. E. Bledsoe has purchased the two-story eight-room home of William Canaday for \$3500. It is one of the most attractive homes of Mount Tabor. The grounds are on East Fifty-third street between Belmont and East Morrison streets. Mr. Bledsoe purchased the property as a home, and will take possession of the property this week.

McCarger, Bates & Lively report two important sales made last week. They sold the E. B. Shields home, a quarter-block on East Nineteenth and Tillamook streets, to L. Gerlinger, for \$14,000, and the Beaumont home on Willamette Heights to H. C. McAllister for \$6000.

The following sales were made last week through the agency of David Lewis: John A. Lehner sold his beautiful eight-room house on Holman street and Villard avenue to A. Hoffman for \$5000. Mr. Hoffman and family will occupy it as a home. John A. Lehner purchased a highly improved 20-acre tract at Orchards, Wash., four and a half miles east of Vancouver, from A. Coffin. Carlton Bamberger purchased from J. J. Attridge a 10-acre fruit tract at Orchards, Wash., for a consideration of \$5000.